



kojamo

Interim Report

1 January–30 September 2022



Kojamo plc's Interim Report 1 January–30 September 2022

Total revenue increased and occupancy rate took a positive turn

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period of the previous year. The figures in this Interim Report have not been audited.

All statements made in this report regarding the company or its business are based on the views of the management, and the

sections addressing the general macro-economic or industry situation are based on third-party information.

If there are differences between different language versions of the Interim Report, the Finnish version is the official one.

Summary of July–September 2022

- Total revenue increased by 7.5 per cent to EUR 105.4 (98.1) million
- Net rental income increased by 8.2 per cent totalling EUR 78.2 (72.2) million. Net rental income represented 74.1 (73.6) per cent of revenue
- Profit before taxes was EUR 90.8 (69.3) million. The profit includes EUR 35.8 (17.9) million in net gain on the valuation of investment properties at fair value. Earnings per share was EUR 0.29 (0.22)
- Funds From Operations (FFO) increased by 8.0 per cent and amounted to EUR 48.6 (45.0) million
- Gross investments totalled EUR 78.1 (81.6) million, representing 74.1 (83.2) per cent of total revenue

Summary of January–September 2022

- Total revenue increased by 4.6 per cent to EUR 305.4 (292.0) million
- Net rental income increased by 5.5 per cent to EUR 207.6 (196.7) million. Net rental income was 68.0 (67.4) per cent of total revenue
- Profit before taxes was EUR 248.6 (616.0) million. The profit includes EUR 110.9 (484.1) million in net gain on the valuation of investment properties at fair value and EUR 0.2 (0.3) million in profits and losses from the sale of investment properties. Earnings per share was EUR 0.81 (2.00)
- Funds From Operations (FFO) increased by 4.8 per cent to EUR 120.0 (114.5) million
- The fair value of investment properties was EUR 8.9 (7.6) billion at the end of the review period, including EUR 0.0 (1.1) million in Investment properties held for sale
- The financial occupancy rate was 91.7 (94.0) per cent for the review period. At the end of June, the financial occupancy rate was 91.5 per cent
- Gross investments amounted to EUR 416.5 (258.1) million, or 136.4 (88.4) per cent of total revenue
- Equity per share was EUR 17.96 (15.08) and return on equity was 6.1 (18.7) per cent. Return on investment was 5.1 (13.1) per cent
- EPRA NRV (Net Reinstatement Value) per share grew by 17.1 per cent to EUR 22.63 (19.32)
- There were 2,012 (2,624) Lumo apartments under construction at the end of the review period

Kojamo owned 38,983 (36,484) rental apartments at the end of the review period. Since September of last year, Kojamo has acquired 985 (26) apartments, completed 1,562 (1,012) apartments and demolished or otherwise altered -48 (-167) apartments.



Effects of Russia's war of aggression in Ukraine and the COVID-19 pandemic on Kojamo

Russia's continued war of aggression in Ukraine has weakened the economic outlook in Finland, and economic uncertainty continues. The war has increased energy prices in particular, which has also accelerated price increases in other consumer goods and services. The impact of higher energy prices on Kojamo's maintenance costs has been moderate, although electricity costs have increased.

The COVID-19 pandemic has had an impact on the housing market and the operating environment. Removal of COVID-restrictions has increased demand of rental apartments. The supply of rental apartments has declined. The pandemic has had a substantial effect on the Group's financial occupancy rate. The pandemic did not have a significant impact on the Group's profit, balance sheet or cash flow.

Outlook for Kojamo in 2022 (specified)

Kojamo estimates that in 2022, the Group's total revenue will increase by 5–6 per cent (previously 4–6 per cent) year-on-year. In addition, Kojamo estimates that the Group's FFO for 2022 will amount to between EUR 156–164 million, excluding non-recurring costs (previously EUR 155–165 million).

The outlook is based on the management's assessment of total revenue, property maintenance costs and repairs, administrative expenses, financial expenses, taxes to be paid and new development to be completed, as well as the management's view on future developments in the operating environment.

The outlook takes into account the estimated occupancy rate and rises in rents as well as the number of apartments to be completed. The outlook does not take into account the impact of potential acquisitions or disposals on total revenue and FFO.

The management can influence total revenue and FFO through the company's business operations. In contrast, the management has no influence over COVID-19 restrictions, market trends, the regulatory environment or the competitive landscape.



Key figures

	7–9/2022	7–9/2021	Change %	1–9/2022	1–9/2021	Change %	2021
Total revenue, M€	105.4	98.1	7.5	305.4	292.0	4.6	391.7
Net rental income, M€ *	78.2	72.2	8.2	207.6	196.7	5.5	262.3
Net rental income margin, % *	74.1	73.6		68.0	67.4		67.0
Profit before taxes, M€ *	90.8	69.3	31.0	248.6	616.0	-59.7	1,278.9
EBITDA, M€ *	105.1	83.2	26.4	291.0	656.3	-55.7	1,334.8
EBITDA margin, % *	99.7	84.8		95.3	224.7		340.8
Adjusted EBITDA, M€ *	69.3	65.2	6.2	179.9	171.5	4.9	228.5
Adjusted EBITDA margin, % *	65.7	66.5		58.9	58.7		58.3
Funds From Operations (FFO), M€ *	48.6	45.0	8.0	120.0	114.5	4.8	153.1
FFO margin, % *	46.1	45.9		39.3	39.2		39.1
FFO excluding non-recurring costs, M€ *	48.6	45.0	8.0	120.0	114.5	4.8	153.1
Investment properties, M€ ¹⁾				8,857.1	7,606.7	16.4	8,327.5
Financial occupancy rate, %				91.7	94.0		93.9
Interest-bearing liabilities, M€ *				3,582.9	3,351.1	6.9	3,334.5
Return on equity (ROE), % *				6.1	18.7		27.0
Return on investment (ROI), % *				5.1	13.1		19.2
Equity ratio, % *				48.7	46.2		49.0
Loan to Value (LTV), % * ²⁾				39.9	41.0		37.7
EPRA Net Reinstatement value (NRV), M€				5,592.3	4,775.1	17.1	5,447.9
Gross investments, M€ *	78.1	81.6	-4.3	416.5	258.1	61.4	356.9
Number of personnel, end of the period				309	316		325
Key figures per share, €							
FFO per share *	0.20	0.18	11.1	0.49	0.46	6.5	0.62
Earnings per share	0.29	0.22	31.8	0.81	2.00	-59.5	4.14
EPRA NRV per share				22.63	19.32	17.1	22.04
Equity per share				17.96	15.08	19.1	17.25

* In accordance with the guidelines issued by the European Securities and Markets Authority (ESMA), Kojamo provides an account of the Alternative Performance Measures used by the Group in the Key figures, the formulas used in their calculation, and reconciliation calculations in accordance with ESMA guidelines section of the Interim Report

¹⁾ Including Non-current assets held for sale

²⁾ Excluding Non-current assets held for sale



CEO's review



Kojamo's total revenue, net rental income and FFO grew. The rental market developed positively, even though there are significant uncertainties in the investment and financial market. The increase in energy prices had only a minor effect on the company's maintenance costs. Our balance sheet remained strong and our liquidity has stayed good.

The number of new leases began to grow in the summer, and our occupancy rate turned to substantial growth in the third quarter. The occupancy rate in September was already almost 93 per cent. Demand is supported by the resumption of the urbanisation trend after the COVID-19 pandemic. Increased economic uncertainty is also a factor behind the growing popularity of rental housing. The prolonged COVID-19 pandemic still affected our occupancy rate in the first half of the year. The resumption of work-related migration and the return of students to university cities were delayed after the pandemic-related restrictions were lifted in March.

It is important for us that the company has access to diverse sources of financing. This is evidenced by the new six-year unsecured credit agreement of EUR 100 million which we signed with OP Corporate Bank after the review period in October. Although our financing needs will be minor over the next year, the new financing arrangement further strengthens our liquidity position.

Interest rates have risen quickly and uncertainty in the financial markets is continuing. Over the years, we have systematically maintained a high hedging ratio for our financing. Our financial expenses have not risen in line with the higher interest rates due to the high hedging ratio of our loan portfolio, and the average interest rate of the loan portfolio remained at 1.7%.

A total of 1,100 Lumo homes were completed during the period under review, and we also acquired a further 985 apartments. At the end of the review period, 2,012 apartments were under construction.

As we have anticipated, the number of new housing start-ups is expected to decline substantially. Higher inflation, energy crisis, rising interest rates and the risk of a recession have weakened the outlook for the construction sector and the demand for new owner-occupied apartments. Rising interest rates have increased uncertainty in the market in particular. Although our balance sheet is strong, we have decided to not make new investment decisions for the time being due to the lack of visibility. A deteriorating outlook in the construction sector may create attractive opportunities for us going forward. We are actively monitoring the market situation and, if visibility in the market improves, we will be able to respond quickly to any opportunities. Our ongoing development projects are being implemented on a fixed-price basis, and they have progressed according to plans. We will complete these projects as normal.

Kojamo is involved in the national Down a degree campaign where we encourage Lumo residents to take practical energy-saving measures that have an immediate effect. Kojamo's own commercial properties are also included in the campaign.

The second and final stage of the Lumo One skyscraper was completed at the beginning of September. The move-in of the residents went smoothly, and the skyscraper has had a very high occupancy rate right from the start. Lumo One is a unique property in the Finnish rental apartment market. In addition to a unique building and unparalleled views, Lumo One offers a very wide range of services.

Jani Nieminen

CEO



Operating environment

General operating environment

As Kojamo operates in the residential real estate sector, the company is affected particularly by the situation in the residential property market and development in Finnish growth centres. The company is also affected by macroeconomic factors,

such as economic growth, employment, disposable income, inflation, regional population growth and development of household sizes.

Operating environment key figures

%	2022E	2021
GDP growth	1.7	3.0
Unemployment	6.6	7.7
Inflation	6.5	2.2

Source: Ministry of Finance, Economic Survey, autumn 2022, 19 September 2022

According to the economic survey published by the Ministry of Finance in September, the outlook of the global economy has been clouded by rapid inflation, the European energy crisis and Russia's continued war of aggression. Geopolitical tensions between the world's superpowers have increased.

rising. Uncertainty is continuing in the international financial markets.

The threat of an energy crisis is slowing economic growth in Europe. Inflation has accelerated further, and consumer confidence is low. Monetary policy has been tightened quickly in the United States and Europe, and interest rates have been

Economic growth in Finland was stronger than expected in the first half of the year, and the employment rate has continued to increase rapidly. At the same time, inflation has accelerated further, and consumer price inflation is very broad-based. Rising consumer prices will substantially erode household purchasing power, consumption and economic growth for the rest of the year.

Industry operating environment

Industry key figures

	2022E	2021
Residential start-ups, units	40,800	47,300
of which non-subsidised block-of-flats	22,200	26,500
start-ups in the capital region	n/a	16,947
Building permits granted, annual, units *	40,597	45,207
Construction costs, change % **	6.2	10.2
Prices of old block-of-flats in the whole country, change, %	2.5	4.0
Prices of old block-of-flats in the capital region, change, %	1.2-3.5	0.1-6.2
Rents of non-subsidised apartments in the whole country, change, %	1.3	0.8
Rents of non-subsidised apartments in the capital region, change, %	1.0-1.5	0.8

* Rolling 12 months, July 2022; ** 2022E: building cost index, September 2022

Sources: RT economic forecast, autumn 2022; Housing production information of the municipalities in the capital region; Statistics Finland, Building and dwelling production, December 2021; Pellervo Economic Research PPT, Housing 2022 forecast

In its September economic review, Etna Economic Research predicts that construction will grow this year in spite of the uncertainty. Thanks to the large number of new housing start-ups last year, the continued strength of residential construction will support the investment volume this year. However, the number of granted permits and start-ups in residential construction have decreased this year, anticipating a decline in residential construction next year. The demand for housing is also expected to decline as tighter monetary policy pushes interest rates higher and economic uncertainty increases.

The rise in construction costs – which has adversely affected the profitability of construction companies – has already levelled off slightly, but problems associated with the availability of construction materials are weighing down construction activity in addition to the general uncertainty. Confidence among construction companies has declined substantially during the summer, and the economic outlook has weakened after the war started by Russia.



Effects of urbanisation

Area	Population growth forecast, %	Share of rental household-dwelling units, %	
	2021–2040	2010	2021
Helsinki	19.9	47.1	49.9
Capital region ¹⁾	21.7	41.9	46.1
Helsinki region ²⁾	n/a	37.7	42.1
Jyväskylä	4.6	40.2	45.7
Kuopio	0.0	36.5	41.7
Lahti	n/a	37.3	41.0
Oulu	5.5	36.7	43.1
Tampere	11.1	42.2	50.6
Turku	12.4	43.0	51.0
Other areas	n/a	23.8	27.0

¹⁾ Helsinki, Espoo, Kauniainen, Vantaa

²⁾ Capital region, Hyvinkää, Järvenpää, Kerava, Kirkkonummi, Mäntsälä, Nurmijärvi, Pornainen, Porvoo, Riihimäki, Sipoo, Tuusula, Vihti

Sources: Statistics Finland, Dwellings and Housing Conditions 2021; MDI, Population forecast 2040

According to the population forecast published by MDI in September 2022, urbanisation continues, the significance of the traditional growth triangle further strengthens and regional differences increase. Nevertheless, regional divergence and differentiation are accelerating rather than levelling off, and the importance of micro-location and hubs is emphasised in everything. Demographic trends have significantly deviated from prior patterns during the COVID-19 pandemic. If development continues in the same direction in the future, the demographic trends will level off slightly. The forecasts present four growth scenarios that also take the impacts of the COVID-19 pandemic into account. The population of the capital region is predicted to grow by 11–22 per cent during the period 2021–2040

in the four scenarios. Turku and Tampere will also grow by more than 10 per cent in all four scenarios.

According to Nordea's housing market review, published in September, the slowdown in construction will reduce housing supply from next year. The increase in interest rates is also reflected in the expenses of owner-occupiers, which makes rental housing relatively more attractive. According to Nordea, population growth has picked up again in the capital region, which in part supports rental demand.

Business operations

Kojamo is the largest private residential real estate company in Finland measured by the fair value of investment properties. Kojamo offers rental apartments and housing services for residents in Finnish growth centres. At the end of the review period, Kojamo's property portfolio comprised 38,983 (36,484) rental apartments. The fair value of Kojamo's investment properties at the end of the review period was EUR 8.9 (7.6) billion. Investment properties include completed apartments as well as development projects and land areas.

Measured at fair value on 30 September 2022, 99.0 per cent of Kojamo's rental apartments were located in the seven largest Finnish growth centres, 88.6 per cent in the Helsinki, Tampere and Turku regions and 77.0 per cent in the Helsinki region.

Kojamo's share of the country's entire rental housing market is about four per cent.

Kojamo aims to create the best customer service experience for its customers, which is why the company has made significant investments in services. The Lumo webstore allows customers to rent a suitable apartment by paying the first month's rent, after which they can move into their new home as soon as the next day. Kojamo's resident cooperation model gives the residents an opportunity to influence the development of housing and Lumo services. Lumo apartments offer a range of different services, such as broadband internet connection included in the rent and a car sharing service.



Financial development July–September 2022

Total revenue

Kojamo's total revenue increased to EUR 105.4 (98.1) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2021 and 2022, properties acquired in summer 2022, and the development of rents and the financial occupancy rate had a positive impact on the total revenue.

Result and profitability

Net rental income increased to EUR 78.2 (72.2) million, which corresponds to 74.1 (73.6) per cent of total revenue. The growth of total revenue and the decrease of repair costs had a

positive impact and higher property maintenance costs had a negative impact on the net rental income.

Profit before taxes was EUR 90.8 (69.3) million. The profit includes EUR 35.8 (17.9) million in net gain on the valuation of investment properties at fair value. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 3.6 million.

Financial income and expenses totalled EUR -14.0 (-13.6) million. Financial income and expenses include EUR 1.5 (1.3) million in unrealised changes in the fair value of derivatives.

Funds From Operations (FFO) amounted to EUR 48.6 (45.0) million. The increase in FFO was attributable to the improvement in net rental income during the review period.

Financial development January–September 2022

Total revenue

Kojamo's total revenue increased to EUR 305.4 (292.0) million. Total revenue is generated entirely by income from rental operations.

The completion of rental apartments in 2021 and 2022, properties acquired in summer 2022 and rental growth had a positive impact, and the decrease of financial occupancy rate in the beginning of the year had a negative impact on the total revenue.

Result and profitability

Net rental income increased to EUR 207.6 (196.7) million, which corresponds to 68.0 (67.4) per cent of total revenue. The growth of total revenue and the decrease of repair costs had a positive impact and higher property maintenance costs had a negative impact on the net rental income. Electricity costs, in particular, increased year-on-year.

Profit before taxes was EUR 248.6 (616.0) million. The profit includes EUR 110.9 (484.1) million in net gain on the valuation of investment properties at fair value and EUR 0.2 (0.3) million

in profits and losses from the sale of investment properties. Profit before taxes and excluding the net valuation gain on the fair value assessment of investment properties increased by EUR 5.8 million.

Financial income and expenses totalled EUR -41.5 (-39.4) million. Financial income and expenses increased by EUR 2.1 million year-on-year. Gains and losses on the valuation of investments amounted to EUR -2.4 (0.2) million and the unrealised change in the fair value of derivatives EUR 6.6 (3.5) million. Interest expenses increased by EUR 3.4 million year-on-year due to the higher amount of interest-bearing liabilities.

Funds From Operations (FFO) amounted to EUR 120.0 (114.5) million. The increase in FFO was attributable to the improvement in net rental income during the review period.

Kojamo has assessed the impact of Russia's war of aggression in Ukraine and COVID-19 pandemic on the Group's result, cash flow and profitability and determined that the Russia's war of aggression in Ukraine and the pandemic did not have a significant impact on these items during the review period.



Balance sheet, cash flow and financing

	30 Sep 2022	30 Sep 2021	31 Dec 2021
Balance sheet total, M€	9,125.5	8,068.1	8,716.8
Equity, M€	4,438.8	3,726.4	4,263.3
Equity per share, €	17.96	15.08	17.25
Equity ratio, %	48.7	46.2	49.0
Return on equity (ROE), %	6.1	18.7	27.0
Return on investment (ROI), %	5.1	13.1	19.2
Interest-bearing liabilities, M€	3,582.9	3,351.1	3,334.5
Loan to Value (LTV), %	39.9	41.0	37.7
Average interest rate of loan portfolio, % *	1.7	1.8	1.8
Average loan maturity, years	3.7	4.5	4.3
Cash and cash equivalents, M€	53.2	232.8	197.0

* Includes interest rate derivatives

Kojamo's liquidity was good during the review period. At the end of the period, Kojamo's cash and cash equivalents stood at EUR 53.2 (232.8) million and liquid financial assets at EUR 108.3 (152.9) million.

EUR 29.9 (50.0) million of the EUR 250 million commercial paper programme was in use at the end of the review period. In addition, Kojamo has committed credit facilities of EUR 300 million and an uncommitted credit facility of EUR 5 million that were unused at the end of the period.

The following financing arrangements were made during the review period:

In March, Kojamo plc signed a committed EUR 100 million Revolving Credit Facility with Swedbank AB (publ). The Revolving Credit Facility is unsecured and has a maturity of three years with two one-year extension options, and it is linked to Kojamo's sustainability targets. The credit facility will be used for general corporate purposes and it replaced EUR 100 million unsecured Revolving Credit Facility from Swedbank, maturing in 2022.

In March, Kojamo plc completed the issuance of EUR 300 million senior unsecured green bond. The maturity of the euro-denominated Notes is 4 years, and the maturity date is 31 March 2026. The Notes carry a fixed annual coupon of 2.0 per cent. This is the second green bond issued by the company. The Notes were issued under Kojamo plc's EUR 2,500,000,000 EMTN programme Base Prospectus dated 16 March 2022.



Real estate property and fair value

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Fair value of investment properties on 1 Jan ¹⁾	8,327.5	6,863.1	6,863.1
Acquisition of investment properties ^{1) 2)}	403.9	250.0	343.7
Modernisation investments	12.6	7.7	11.9
Disposals of investment properties	-1.3	-2.4	-2.5
Capitalised borrowing costs	3.6	4.2	5.4
Profit/loss on fair value of investment properties ¹⁾	110.9	484.1	1,105.7
Fair value of investment properties at the end of the period	8,857.1	7,606.7	8,327.5

The value of investment properties on 30 September 2021 and 31 December 2021 includes EUR 1.1 million in Investment properties held for sale

¹⁾ Includes IFRS 16 Leases

²⁾ Includes the existing apartment stock and the acquisition costs of new projects under construction

Kojamo owned a total of 38,983 (36,484) rental apartments at the end of the review period.

The fair value of Kojamo's investment properties is determined quarterly on the basis of the company's own evaluation. An external expert gives a statement on the valuation of Kojamo's investment properties. The latest valuation statement was issued on the situation as at 30 September 2022. The criteria for determining fair value are presented in the Notes to the Financial Statements.

At the end of the review period, the plot and real estate development reserve held by the Group totalled about 164,000 floor sq.m (168,000 floor sq.m). The fair value of the plot and real estate development reserve (including the Metropolia properties) was EUR 138.7 (134.0) million at the end of the review period.

Rental housing

Apartments	30 Sep 2022	30 Sep 2021	31 Dec 2021
Number of apartments	38,983	36,484	36,897
Average rent, €/m ² /month	17.49	16.85	16.95
Average rent, €/m ² /month, yearly average	17.22	16.67	16.74

Kojamo responds to the trends of urbanisation, digitalisation and communality in accordance with its strategy, providing its customers with apartments with good locations and services that make daily life easier, increase the attractiveness of housing and improve the sense of community. Kojamo's properties form a networked service platform that enables agile innovation implementation in cooperation with other operators.

All Lumo rental apartments that become vacant are available for rent on the Lumo webstore, where customers can rent the apartment of their choice by using their online banking credentials and paying the first month's rent.

Rental housing key figures

%	1-9/2022	1-9/2021	1-12/2021
Financial occupancy rate	91.7	94.0	93.9
Tenant turnover rate, excluding internal turnover	23.8	25.6	33.3
Like-for-Like rental income growth *	-0.1	-0.1	-0.3
Rent receivables in proportion to revenue	1.3	1.1	1.2

* Change of rental income for properties owned for two consecutive years in the past 12 months compared to the previous 12-month period

The financial occupancy rate was 91.7 (94.0) per cent for the review period. The COVID-19 pandemic had a substantial effect on the Group's financial occupancy rate. At the end of the period, 267 (199) apartments were vacant due to renovations.



Kojamo's property portfolio by region as at 30 September 2022

%	Helsinki region	Tampere region	Turku region	Oulu	Jyväskylä	Kuopio region	Lahti region	Others
Distribution by number of apartments	61.0	10.0	5.3	5.7	5.3	4.3	3.7	4.7
Distribution by fair value	77.0	7.7	3.8	2.4	2.8	2.1	1.9	2.2

Information on the property portfolio as at 30 September 2022

Area	Number of apartments, units	Number of commercial premises and other leased premises, units	Fair value, M€	Fair value, € 1,000/unit	Fair value, €/m ²	Financial occupancy rate, % ³⁾
Helsinki region	23,795	426	6,420.3	265	4,892	90.1
Tampere region	3,899	112	644.2	161	3,132	96.7
Turku region	2,047	25	317.9	153	2,840	95.7
Other	9,242	148	954.2	102	1,927	93.9
Total	38,983	711	8,336.6 ¹⁾	210	3,923	91.7
Other			520.4 ²⁾			
Total portfolio	38,983	711	8,857.1			

¹⁾ The figures reflect income-generating portfolio assets, which excludes ongoing projects, plots owned by the company and ownership of certain assets through shares

²⁾ Fair value of ongoing projects, plots owned by the company and ownership of certain assets through shares and rented plots (IFRS 16 right-of-use assets)

³⁾ The financial occupancy rate does not include commercial premises and other leased premises



Investments, divestments and real estate development

Investments

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Acquisition of investment properties *	400.3	246.2	339.5
Modernisation investments	12.6	7.7	11.9
Capitalised borrowing costs	3.6	4.2	5.4
Total	416.5	258.1	356.9
Repair expenses, M€	21.6	23.5	32.4

* Not including IFRS 16 Leases

Number of apartments

Units	30 Sep 2022	30 Sep 2021	31 Dec 2021
Apartments at the start of the period	36,897	35,802	35,802
Acquisitions	985	-	-
Completed	1,100	820	1,282
Demolished or altered	1	-138	-187
Apartments at the end of the period	38,983	36,484	36,897
Started during the review period	437	818	1,333
Under construction at the end of the period	2,012	2,624	2,675
Preliminary agreements for new construction	465	796	636

Kojamo estimates that investments in development projects will amount to EUR 270–300 million in 2022.

985 (0) apartments were acquired during the period under review.

During the review period, Kojamo announced agreements on the acquisition of the following properties:

- 23 June 2022: an agreement with a fund managed by NREP on the purchase of 942 rental apartments in Finnish growth centres.
- 27 June 2022: an agreement on the purchase of 43 rental apartments in Töölö, Helsinki.

During the review period, Kojamo announced agreements on the construction of the following projects:

- 8 February 2022: an agreement with Marvea Oy on the construction of 49 new rental apartments in the centre of Tampere.

- 22 February 2022: an agreement with Jatke Länsi-Suomi Oy on the construction of 84 new rental apartments in Vasaramäki, Turku.
- 15 March 2022: an agreement with Jatke Toimitilat Oy on the construction of 77 new rental apartments on Bulevardi 31, Helsinki.
- 25 April 2022: an agreement with Hausia on the construction of 178 new rental apartments in Finnoo, Espoo.
- 27 June 2022: an agreement with Varte Oy on the construction of 98 apartments in Pähkinärinne, Vantaa.

Of the apartments under construction, 1,879 (2,624) are located in the Helsinki region and 133 (0) in other Finnish growth centres. A total of 1,100 (820) apartments were completed during the review period.

Modernisation investments during the review period amounted to EUR 12.6 (7.7) million and repair costs totalled EUR 21.6 (23.5) million.



Binding acquisition agreements for new development

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Actual costs incurred from new construction in progress	301.8	411.9	392.1
Cost of completing new construction in progress	192.1	233.4	267.6
Total	493.9	645.2	659.6

Plots and real estate development sites owned by the company

	30 Sep 2022		30 Sep 2021		31 Dec 2021	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Plots	28.6	50	28.2	52	29.5	52
Plots and existing residential building	31.5	40	25.8	38	21.6	32
Conversions	78.7	74	80.0	78	80.0	78
Total ¹⁾	138.7	164	134.0	168	131.1	162

¹⁾ The management's estimate of the fair value and building rights of the plots

Binding preliminary agreements and provisions for plots and real estate development

	30 Sep 2022		30 Sep 2021		31 Dec 2021	
	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m	M€	1,000 fl.sq.m
Preliminary agreements for new construction ¹⁾	84.9		163.4		122.9	
Estimate of the share of plots of preliminary agreements for new development ²⁾	14.6	25	27.1	38	20.9	30
Preliminary agreements and reservations for plots ²⁾	23.4	38	36.7	54	23.8	39

¹⁾ Including plots

²⁾ The management's estimate of the fair value and building rights of the plots

Strategic targets and their achievement

Strategic targets 2020–2023

	1–9/2022	2021	2020	Target
Annual growth of total revenue, %	4.6	2.0	2.3	4–5
Annual investments, M€	416.5	356.9	371.2	200–400
FFO/total revenue, %	39.3	39.1	39.5	> 36
Loan to Value (LTV), %	39.9	37.7	41.4	< 50
Equity ratio, %	48.7	49.0	45.6	> 40
Net Promoter Score (NPS) *	44	20	36	40

*The calculation method has changed during the review period for example including digital services in calculation. Target and actual for years 2021 and 2020 have not been adjusted to reflect the current calculation method.

According to its strategy, Kojamo's operations are focused on the largest growth centres in Finland. As a part of implementing its strategy Kojamo's Board of Directors has decided to evaluate options for investment properties located outside of the key growth centres, including potential disposals of properties.

Kojamo's objective is to be a stable dividend payer whose annual dividend payment will be at least 60 per cent of FFO, provided that the Group's equity ratio is 40 per cent or more and taking account of the company's financial position.



Shares and shareholders

Issued shares and share capital

Kojamo's share capital on 30 September 2022 was EUR 58,025,136 and the number of shares at the end of the review period totalled 247,144,399.

Kojamo has a single series of shares, and each share entitles its holder to one vote in the general meeting of shareholders of the company. There are no voting restrictions related to the

shares. The shares have no nominal value. The company shares belong to the book-entry system.

The trading code of the shares is KOJAMO and the ISIN code is FI4000312251.

Trading in the company's share

Kojamo's shares are listed on the official list of Nasdaq Helsinki.

Share price and trading

	1-9/2022	1-9/2021	1-12/2021
Lowest price, €	11,67	15.64	15.64
Highest price, €	22,10	21.42	21.42
Average price, €	18,04	18.53	18.97
Closing price, €	13,12	17.91	21.24
Market value of share capital, end of period, M€	3,242.5	4,426.4	5,249.3
Share trading, million units	65.6	90.3	125.0
Share trading of total share stock, %	26.5	36.5	50.6
Share trading, M€	1,184.2	1,673.1	2,370.9

In addition to the Nasdaq Helsinki stock exchange, Kojamo shares were traded on other marketplaces. During 1 January–30 September 2022, over 210 (approximately 110) million Kojamo shares were traded on alternative marketplaces, corresponding to approximately 70 (approximately 55) per cent of the total trading volume (sources: Modular Finance, Fidessa).

Own shares

Kojamo did not hold any of its own shares during or at the end of the review period.

Dividend

In accordance with the Board of Directors' proposal, the Annual General Meeting on 16 March 2022 decided that a dividend of EUR 0.38 per share, or EUR 93,914,871.62 in total, be paid for the financial year and that EUR 214,511,245.73 be retained in unrestricted equity. The dividend payment date was 5 April 2022.

Shareholders

At the end of the review period, the number of registered shareholders was 12,128, including nominee-registered shareholders. The proportion of nominee-registered and direct foreign shareholders was 53.6 per cent of the company's shares at the end of the review period. The 10 largest shareholders owned in aggregate 38.6 per cent of Kojamo's shares at the end of the review period.

The list of Kojamo's shareholders is based on information provided by Euroclear Finland Ltd.

The Board of Directors' authorisations

Kojamo's Annual General Meeting on 16 March 2022 authorised the Board of Directors to decide on the repurchase and/or acceptance as pledge of an aggregate maximum of 24,714,439 of the company's own shares according to the proposal of the Board of Directors. The proposed amount of shares corresponds to approximately 10 per cent of all the shares of the company. The authorisation will remain in force until the closing of the next Annual General Meeting, however, no longer than until 30 June 2023.

The Board of Directors was also authorised to decide on the issuance of shares and the issuance of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act according to the proposal of the Board of Directors. The number of shares to be issued on the basis of the authorisation shall not exceed an aggregate maximum of 24,714,439 shares, which corresponds to approximately 10 per cent of all the shares of the company. The authorisation applies to both the issuance of new shares and the conveyance of own shares held by the company. The authorisation will remain in force until the closing of the next Annual General Meeting, however, no longer than until 30 June 2023.

Furthermore, the Annual General Meeting authorized the Board of Directors to resolve in its discretion on the payment of dividend as follows:

The amount dividend to be paid based on the authorization shall not exceed EUR 1.00 per share. The authorization is valid until 31 December 2022.



Flagging notifications

Flagging notification 1 March 2022

Kojamo plc has on 28 February 2022 received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act from Ivar Tollefsen (Heimstaden Bostad AB). According to the notification, the holding of Heimstaden Bostad AB in Kojamo's shares and votes has reached 15 per cent on 28 February

2022. This company holds a total of 37,076,482 shares corresponding to an ownership of 15.00 percent in Kojamo's shares and votes.

Managers' transactions and shareholdings

Managers' transactions at Kojamo in 2022 have been published as stock exchange releases and they are available on the Kojamo website at www.kojamo.fi/en/news.

Governance

Annual General Meeting

Kojamo's Annual General Meeting (AGM) of 16 March 2022 adopted the financial statements for the financial year 2021 and discharged the members of the Board of Directors and the CEO from liability. The AGM also decided on dividend payment, the number of members of the Board of Directors, the Board of Director's remuneration and composition and the election and remuneration of the auditor. The AGM approved the Remuneration Report for the members of the Board of Directors, the CEO and the Deputy CEO. The AGM authorised the Board of Directors to resolve on one or more share issues or the issuance of special rights entitling to shares, as referred to in Chapter 10, Section 1 of the Companies Act. The minutes of the AGM are available at www.kojamo.fi/agm.

Board of Directors and auditors

The members of Kojamo's Board of Directors are Mikael Aro (Chairman), Mikko Mursula (Vice-Chairman), Matti Harjuniemi, Kari Kauniskangas, Anne Leskelä, Reima Rytsölä and Catharina Stackelberg-Hammarén. The company's auditor is KPMG Oy Ab, with Authorised Public Accountant Esa Kailiala as the auditor with principal responsibility.

Board committees

Kojamo's Board of Directors has established two permanent committees, an Audit Committee and a Remuneration Committee. Anne Leskelä (Chairman), Kari Kauniskangas, Mikko Mursula and Catharina Stackelberg-Hammarén serve in the Audit Committee. Mikael Aro (Chairman), Matti Harjuniemi and Reima Rytsölä serve in the Remuneration Committee.

Personnel

At the end of the review period, Kojamo had a total of 309 (316) employees. The average number of personnel during the review period was 321 (321).

The salaries and fees paid during the review period totalled EUR 13.5 (12.4) million.

Nomination Board

A stock exchange release was issued on 16 September 2022 announcing the composition of Kojamo plc's Nomination Board. Kojamo's three largest shareholders nominated the following members to the Shareholders' Nomination Board: Arve Regland, CFO, Heimstaden Bostad AB; Jouko Pölönen, CEO, Ilmarinen Mutual Pension Insurance Company; and Risto Murto, CEO, Varma Mutual Pension Insurance Company. In addition, the Chairman of Kojamo's Board of Directors serves as an expert member of the Nomination Board.

The Shareholders' Nomination Board is a body established by the Annual General Meeting consisting of shareholders, with the task of annually preparing and presenting proposals for the General Meeting concerning the number, composition and Chairman of the Board of Directors, remuneration of the Board of Directors and remuneration of the members of the Board Committees.

CEO

Jani Nieminen, M.Sc. (Tech.), MBA was CEO during the review period. The CEO's deputy was CFO Erik Hjelt, Licentiate in Laws, EMBA.

Management Team

At the end of the review period, the members of the Management Team were Jani Nieminen, CEO; Erik Hjelt, CFO; Irene Kantor, Marketing and Communications Director; Tiina Kuusisto, Chief Customer Officer; Katri Harra-Salonen, Chief Digital Officer; and Ville Raitio, Chief Investment Officer.

Annual performance bonus and incentive system

Kojamo's employees are included in an annual performance bonus system which is based on the achievement of the company's general targets as well as personal targets.

Kojamo also has a long-term share-based incentive plan for the Group's key personnel. The reward is based on reaching the targets set for Kojamo's key business criteria in relation to the Group's strategic goals. Three performance periods were



ongoing at the end of the review period: 2020–2022, 2021–2023, 2022–2024.

On 17 February 2022, Kojamo's Board of Directors resolved on the long-term incentive plan's performance period of 2022–2024. The possible rewards for the performance period are based on the Group's total revenue, Funds From Operations (FFO) per share and apartment-specific CO2 emission reduc-

tion target. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 104,934 shares including the proportion to be paid in cash.

If the three ongoing earning periods were accrued in full, the maximum bonus would be a sum corresponding to 309,453 Kojamo shares, of which 50 per cent would be paid in Kojamo shares and 50 per cent in cash. More information on the long-term incentive plan is provided in Kojamo's Remuneration Report for 2021.

Sustainability

Corporate responsibility and sustainable development is one of Kojamo's strategic focal points. Sustainability is integral to Kojamo's operations and corporate culture. Sustainability is part of our DNA and it plays an important role in the work of everyone at Kojamo.

Our sustainability programme

Our sustainability program documents the priorities of our sustainability efforts until 2023: sustainable cities, the best customer experience, the most competent personnel and a dynamic place to work, and a responsible corporate citizen. The focus areas of our sustainability program consist of sustainability themes that create added value in our business as well as related short-term and long-term targets and actions along with key performance indicators. In our sustainability program, we commit to the UN Sustainable Development Goals. We continue to develop transparency of our sustainability reporting, and currently report according to GRESB, GRI, and EPRA frameworks.

Sustainable cities

We are committed to improving the energy efficiency of our operations and reducing greenhouse gas emissions. Our goal is for our property portfolio to be carbon-neutral in terms of energy consumption by 2030. We have signed the Net Zero Carbon Buildings Commitment of the World Green Building Council. We will increase the efficiency of our energy consumption by 7.5% by 2025. We invest in managing the energy consumption of the buildings in our property portfolio, and we have implemented various technical solutions to optimise heating at over 30,000 of our apartments. All of our newly constructed properties are situated in growth centers, in locations that are close to good transport connections and services. All Kojamo offices are WWF Green Office certified.

During the review period, we started a pilot project that adheres to the principles of Green Deal demolition. The old shopping centre in Puotila was demolished and will be replaced with apartments and business premises. The goal of Green Deal demolition is to increase the material recovery rate of non-hazardous construction and demolition waste to above 70 per cent. We have also started planning our second Green Deal demolition pilot project. The site is located at Kotitontuntie 5 in Espoo and the demolition work will start this year. We made decisions on geothermal heating investments in the first quarter. Geothermal heating will be installed at seven of our properties in the capital region. This is part of our action plan aimed at zero emissions for our properties by 2030. During the

review period, we began transitioning to invoicing based on measured water consumption at part of our properties.

The best customer experience

We want to deliver the best customer experience in housing for our customers. We create safe and comfortable homes that provide our customers with a strong sense of community, sustainable housing and services that make life easier. The operating model Through the Customer's Eyes has become an established practice for us. Nearly 500 Lumo teams made up of active residents have already been established.

All of Kojamo's properties use hydropower-certified property electricity. In addition, carbon-neutral district heating is used at 79 of our properties. We continuously develop waste recycling and aim to provide our residents with comprehensive recycling opportunities. We offer the residents of Lumo homes the opportunity to use shared cars. Furthermore, our objective is to install new charging stations for electric cars based on demand from our residents. We receive a lot of requests for charging stations and have been able to fulfill about 95 per cent of the requests. Currently we have installed charging station in more than 1,000 car parks.

During the period under review we have worked on two new sustainability related Lumo services. In the beginning of May we launched a service for our tenants, which makes it possible to acquire district heating based on zero carbon energy. In September we conducted a campaign to increase the awareness of the service, and as a result from the campaign we were able to update two Lumo buildings to use zero carbon district heating. At the same time with the zero carbon heating service in spring we introduced a carbon footprint test that enables our residents to assess the sustainability of their lifestyle with regard to housing, consumption and mobility, among other things. The carbon footprint will include tips and links to Lumo services that help residents reduce their carbon footprint. These two new services are part of our efforts to combat climate change throughout our value chain.

Lumo One, which was completed during the review period, was highlighted in the webstore, as almost 60 per cent of the homes were rented digitally. The use of the My Lumo digital service aimed at customers also continues to rise steadily. In September already 82 per cent of the customer base used the service continuously. In the customer survey conducted during the review period (n= 701), almost 70 per cent of the respondents were satisfied or very satisfied with the My Lumo service. Customers used the service especially for searching for information, doing business and paying rent.



We have continued active communication towards our tenants on sustainability and sustainable living and conducted a survey of tenants' expectations on our sustainability work. We received almost 1,600 responses from our residents in a week. According to the survey, in addition to energy efficiency and low emissions, important aspects of responsible housing are good waste recycling facilities, indoor conditions (temperature and ventilation) and housing safety. Location close to public transportation and services was also mentioned as an important factor in sustainable living. When asking, how sustainable Lumo is as a landlord with a scale of 1-4 (where 1 = not sustainable, 4 = extremely sustainable), 69.5 per cent of the respondents gave us the score of 3 or 4. During the rest of the year, we will raise development targets based on the survey.

The most competent personnel and a dynamic place to work

We ensure our future competitiveness through competence development and offer an employee experience that attracts the best talent in the industry. We also work continuously to promote our corporate culture and the well-being of our personnel. Our corporate culture is based on Kojamo's shared values: Happy to serve, Strive for success and Courage to change.

During the review period, we continued to develop our internal offering on competence development by introducing new trainings on new ways of working, well-being at work and time management. As part of the update of supervisors' leadership principles (Leadership Steps), which began already in 2021, we continued to arrange trainings specifically for supervisors.

During the review period we have supported supervisors also in adaptive resilience and capacity to reform by arranging sessions with forerunners in other sectors. This is related to new

procedures and systems in our digital roadmap and includes case examples on supporting employees' capacity to reform, leading by data, utilizing AI and benefits to be gained in operating efficiency through mobile solutions.

We conducted employee survey Kompassi to reflect on our employee experience and how it is manifested in every day work. The results will give us valuable insight on the current status of our company culture, its strengths and areas for development. Based on this insight we are able to better focus development efforts on areas that will affect the improvement of our employee experience our corporate culture. The results of the Kompassi survey are available later in the autumn.

A responsible corporate citizen

Our Code of Conduct documents the sustainable operating practices we apply in our interactions with our stakeholders, society and the environment. We also require our partners to operate sustainably, and our Supplier Code of Conduct has been an integral part of all of our partnership agreements since the beginning of 2021. The anti-grey economy models used by Kojamo exceed the legislative requirements in many respects.

We invested in the development of information security and the implementation of data protection work, especially with training, which is a mandatory and natural part of the job for all Kojamo employees.

Kojamo's sponsorship and grant programme provides financial support for young talents. The programme covers not only individual sports but also team sports. Grants have been awarded since 2012. The first scholarship application for 2022 was underway in March and the second one takes place in September-October. Sponsorship application took place in October.



Near-term risks and uncertainties

Kojamo estimates that the most significant near-term risks and uncertainties are caused by Russia's war of aggression in Ukraine and its impact on the development of the economy. Russia's war of aggression in Ukraine has caused economic uncertainty and weakened Finland's economic growth prospects. The war has pushed consumer prices up, as a result of which consumer purchasing power and economic growth have slowed down. The rise has been particularly sharp in the prices of energy and raw materials.

The continuing war will also cause uncertainty in the coming months, which can have impacts on the housing market and property market, including apartment prices, rents and yield requirements as well as on the operations of the construction companies. In addition, the economic sanctions and their extent may have an impact on the availability and prices of building materials. If inflation remains high, costs will generally increase, which could affect Kojamo's result and cash flow as well as the fair value of apartments. Rising construction costs may have an impact on the profitability of new development projects and thereby slow down development investments.

The development of the Finnish economy may affect the housing and financial markets in exceptional ways. These factors may have an impact on Kojamo's profit and cash flow as well as the fair value of apartments. A general downturn may lead to unemployment and reduce household purchasing power,

which can affect the ability of residents to pay rent and, subsequently, the company's rental income.

Urbanisation is expected to continue in the longer term. The COVID-19 pandemic continues to cause uncertainty. In the short term, possible restrictions can affect people's willingness to move and reduce migration. The supply of rental apartments may increase locally in the main areas in which Kojamo operates, and the changes in supply and demand could have an impact on Kojamo's tenant turnover or the financial occupancy rate and, thereby, rental income.

The company's risk management is described in more detail in the Financial Statements 2021.

Helsinki, 3 November 2022

Kojamo plc
Board of Directors

Further information:

Niina Saarto, Group Treasurer, Investor Relations,
Kojamo plc, tel. +358 20 508 3283

Erik Hjelt, CFO, Kojamo plc,
tel. +358 20 508 3225

News conference and webcast

Kojamo will hold a news conference for institutional investors, analysts and media on 3 November 2022 at 10.00 a.m. EEST at the company's head office at Mannerheimintie 168A, Helsinki. The event will be held in English. After the event, the media has a possibility to ask questions also in Finnish. Participants are asked to attend the event in person only if they are completely healthy.

The event can also be followed as a live webcast. A recording of the webcast will be available later on the company website

at <https://kojamo.fi/en/investors/releases-and-publications/financial-reports/>.

The news conference can be followed online at <https://kojamo.videosync.fi/q3-2022-results>.

It is also possible to join the news conference via phone. Accessing the teleconference requires registration by clicking the following link: <https://call.vsy.io/access-8551>. After the registration you will be provided phone numbers and a conference ID to access the conference.



EPRA performance measures

EPRA (European Public Real Estate Association) is an advocacy organisation for publicly listed European property investment companies. Kojamo is a member of EPRA. As part of its activities, the organisation promotes financial reporting in the industry and the adoption of best practices to ensure the qual-

ity of information provided to investors and improve comparability between companies. Kojamo follows EPRA recommendations in its reporting practices. This section covers EPRA performance measures and their calculation. More information on EPRA and EPRA recommendations is available on the EPRA website at www.epra.com.

EPRA performance measures

	7–9/2022	7–9/2021	1–9/2022	1–9/2021	2021
EPRA Earnings, M€	48.1	44.5	116.7	113.5	151.9
EPRA Earnings per share (EPS), €	0.19	0.18	0.47	0.46	0.61
EPRA Net Reinstatement Value (NRV), M€			5,592.3	4,775.1	5,447.9
EPRA NRV per share, €			22.63	19.32	22.04
EPRA Net Initial Yield (NIY), %			3.5	3.8	3.5
EPRA 'topped-up' NIY, %			3.5	3.8	3.5
EPRA Vacancy Rate, %			8.4	6.0	6.2
EPRA Cost Ratio (including direct vacancy costs), %	9.8	9.2	11.3	11.7	11.9
EPRA Cost Ratio (excluding direct vacancy costs), %	6.9	6.8	7.3	8.7	8.8

EPRA Earnings

M€	7–9/2022	7–9/2021	1–9/2022	1–9/2021	2021
Earnings per IFRS income statement	72.6	55.4	199.0	493.1	1,023.4
(i) Change in value of investment properties, development properties held for investment and other interests	-35.8	-17.9	-110.9	-484.1	-1,105.7
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-	0.0	-0.2	-0.6	-0.6
impairment charges in respect of trading properties	0.0	-	0.0	-	-
(iv) Tax on profits or losses on disposals	0.0	0.8	0.2	1.1	1.1
(vi) Changes in fair value of financial instruments and associated close-out costs	-1.5	-1.3	-6.6	-3.5	-3.0
(viii) Deferred tax in respect of EPRA adjustments	12.8	7.6	35.1	107.6	236.7
EPRA Earnings	48.1	44.5	116.7	113.5	151.9
EPRA Earnings per share (EPS), €	0.19	0.18	0.47	0.46	0.61

EPRA Net Reinstatement Value

M€	1–9/2022	1–9/2021	2021
IFRS Equity attributable to shareholders	4,438.8	3,726.4	4,263.3
Diluted NAV	4,438.8	3,726.4	4,263.3
Diluted NAV at Fair Value	4,438.8	3,726.4	4,263.3
Exclude:			
(v) Deferred tax in relation to fair value gains	1,025.2	840.7	970.3
(vi) Fair value of financial instruments	-48.9	55.9	47.7
Include:			
(xi) Real estate transfer tax	177.1	152.1	166.6
EPRA Net Reinstatement Value (NRV)	5,592.3	4,775.1	5,447.9
EPRA NRV per share, €	22.63	19.32	22.04



EPRA Net Initial Yield (NIY) and EPRA "topped-up" NIY

M€		1–9/2022	1–9/2021	2021
Investment property		8,857.1	7,606.7	8,327.5
Trading property		0.1	0.1	0.1
Developments		-401.3	-571.0	-559.9
Completed property portfolio		8,455.9	7,035.9	7,767.7
Allowance for estimated purchasers' costs		169.1	140.7	155.4
Gross up completed property portfolio valuation	B	8,625.0	7,176.6	7,923.1
Annualised cash passing rental income		431.4	400.2	407.9
Property outgoings		-132.9	-127.0	-131.6
Annualised net rents	A	298.5	273.2	276.3
Notional rent expiration of rent-free periods or other lease incentives		-	-	-
Topped-up net annualised rent	C	298.5	273.2	276.3
EPRA Net Initial Yield (NIY), %	A/B	3.5	3.8	3.5
EPRA 'topped-up' NIY, %	C/B	3.5	3.8	3.5

EPRA Vacancy Rate

M€		1–9/2022	1–9/2021	2021
Estimated rental value of vacant space *	A	26.0	17.6	24.2
Estimated rental value of the whole portfolio *	B	311.5	290.8	390.5
EPRA Vacancy Rate, %	A/B	8.4	6.0	6.2

* Including rental value of apartments

EPRA Cost Ratios

M€		7–9/2022	7–9/2021	1–9/2022	1–9/2021	2021
Include:						
(i) Administrative expense line per IFRS income statement		9.8	8.2	29.7	27.4	37.3
(i) Maintenance expense line per IFRS income statement		19.5	17.8	76.2	71.8	96.9
(i) Repair expense line per IFRS income statement		7.7	8.1	21.6	23.5	32.4
(ii) Net service charge costs/fees		-3.5	-2.9	-10.0	-8.2	-11.3
(iii) Management fees less actual/estimated profit element		-0.1	-0.1	-0.2	-0.1	-0.2
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits		-0.1	-0.1	-0.2	-0.2	-0.3
Exclude:						
(vii) Ground rent costs		0.0	0.0	0.0	0.0	0.0
(viii) Service charge costs recovered through rents but not separately invoiced		-26.0	-24.6	-94.4	-91.9	-124.6
EPRA Costs (including direct vacancy costs)	A	7.4	6.5	22.7	22.4	30.4
(ix) Direct vacancy costs		-2.2	-1.7	-8.2	-5.8	-8.0
EPRA Costs (excluding direct vacancy costs)	B	5.2	4.8	14.6	16.6	22.3
(x) Gross Rental Income less ground rent costs - per IFRS		101.6	95.0	294.8	283.4	379.6
(xi) Service fee and service charge costs components of Gross Rental Income		-26.0	-24.6	-94.4	-91.9	-124.6
Gross Rental Income	C	75.6	70.4	200.4	191.5	255.1
EPRA Cost Ratio (including direct vacancy costs), %	A/C	9.8	9.2	11.3	11.7	11.9
EPRA Cost Ratio (excluding direct vacancy costs), %	B/C	6.9	6.8	7.3	8.7	8.8



Condensed consolidated income statement

M€	Note	7–9/2022	7–9/2021	1–9/2022	1–9/2021	1–12/2021
Total revenue		105.4	98.1	305.4	292.0	391.7
Maintenance expenses		-19.5	-17.8	-76.2	-71.8	-96.9
Repair expenses		-7.7	-8.1	-21.6	-23.5	-32.4
Net rental income		78.2	72.2	207.6	196.7	262.3
Administrative expenses		-9.8	-8.2	-29.7	-27.4	-37.3
Other operating income		0.9	1.2	2.2	2.8	4.6
Other operating expenses		0.1	0.1	-0.3	-0.3	-0.7
Profit/loss on sales of investment properties		-	-	0.2	0.3	0.3
Profit/loss on sales of trading properties		0.0	-	0.0	-	-
Profit/loss on fair value of investment properties	3	35.8	17.9	110.9	484.1	1,105.7
Depreciation, amortisation and impairment losses		-0.3	-0.3	-0.9	-0.9	-1.2
Operating profit		104.8	82.9	290.1	655.4	1,333.7
Financial income		2.3	1.8	8.2	4.9	4.8
Financial expenses		-16.3	-15.3	-49.7	-44.3	-59.7
Total amount of financial income and expenses		-14.0	-13.6	-41.5	-39.4	-54.9
Share of result from associated companies		-	-	-	-	0.1
Profit before taxes		90.8	69.3	248.6	616.0	1,278.9
Current tax expense		-5.4	-6.3	-14.5	-15.4	-18.8
Change in deferred taxes		-12.8	-7.6	-35.1	-107.6	-236.7
Profit for the period		72.6	55.4	199.0	493.1	1,023.4
Profit for the financial period attributable to shareholders of the parent company		72.6	55.4	199.0	493.1	1,023.4
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Cash flow hedges		27.4	4.1	88.9	20.6	29.1
Deferred taxes		-5.5	-0.8	-17.8	-4.1	-5.8
Items that may be reclassified subsequently to profit or loss		21.9	3.3	71.2	16.5	23.3
Total comprehensive income for the period		94.5	58.7	270.1	509.6	1,046.7
Total comprehensive income attributable to shareholders of the parent company		94.5	58.7	270.1	509.6	1,046.7
Earnings per share based on profit attributable to shareholders of the parent company						
Basic, €		0.29	0.22	0.81	2.00	4.14
Diluted, €		0.29	0.22	0.81	2.00	4.14
Average number of shares, million	8	247.1	247.1	247.1	247.1	247.1



Condensed consolidated balance sheet

M€	Note	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets				
Non-current assets				
Intangible assets		0.9	0.5	0.8
Investment properties	3	8,857.1	7,605.6	8,326.4
Property, plant and equipment	4	28.4	28.7	28.8
Investments in associated companies		1.6	1.1	1.5
Financial assets	7	0.7	0.7	0.7
Non-current receivables		6.8	7.8	6.9
Derivatives	6, 7	50.6	0.0	-
Deferred tax assets		2.6	13.3	10.1
Total non-current assets		8,948.6	7,657.8	8,375.2
Non-current assets held for sale	10	-	1.1	1.1
Current assets				
Trading property		0.1	0.1	0.1
Derivatives	6, 7	1.0	1.7	0.4
Current tax assets		2.6	7.8	5.2
Trade and other receivables		11.7	13.8	8.9
Financial assets	7	108.3	152.9	128.8
Cash and cash equivalents		53.2	232.8	197.0
Total current assets		176.9	409.1	340.5
Total assets		9,125.5	8,068.1	8,716.8
Shareholders' equity and liabilities				
Equity attributable to shareholders of the parent company				
Share capital		58.0	58.0	58.0
Share issue premium		35.8	35.8	35.8
Fair value reserve		40.2	-37.7	-31.0
Invested non-restricted equity reserve		164.4	164.4	164.4
Retained earnings		4,140.4	3,505.8	4,036.0
Equity attributable to shareholders of the parent company		4,438.8	3,726.4	4,263.3
Total equity		4,438.8	3,726.4	4,263.3
Liabilities				
Non-current liabilities				
Loans and borrowings	5, 7	3,388.7	3,190.5	3,234.8
Deferred tax liabilities		1,026.5	853.5	981.0
Derivatives	6, 7	2.8	57.1	47.9
Provisions		0.3	0.4	0.4
Other non-current liabilities		5.1	5.1	5.1
Total non-current liabilities		4,423.3	4,106.5	4,269.3
Current liabilities				
Loans and borrowings	5, 7	194.2	160.6	99.7
Derivatives	6, 7	0.0	0.5	0.3
Current tax liabilities		3.3	9.1	5.5
Trade and other payables		65.9	64.8	78.7
Total current liabilities		263.3	235.2	184.2
Total liabilities		4,686.7	4,341.7	4,453.5
Total equity and liabilities		9,125.5	8,068.1	8,716.8



Consolidated statement of cash flows

M€	1–9/2022	1–9/2021	1–12/2021
Cash flow from operating activities			
Profit for the period	199.0	493.1	1,023.4
Adjustments	-19.7	-323.0	-795.7
Change in net working capital			
Change in trade and other receivables	-2.5	0.0	0.5
Change in trading properties	0.0	-	-
Change in trade and other payables	-3.9	-2.7	0.0
Interest paid	-49.4	-47.1	-56.6
Interest received	0.8	0.6	0.8
Other financial items	-0.7	-4.4	-4.0
Taxes paid	-14.1	-12.6	-17.1
Net cash flow from operating activities	109.4	104.1	151.4
Cash flow from investing activities			
Acquisition of investment properties	-422.3	-255.3	-344.4
Acquisition of associated companies	0.0	-	-0.3
Acquisition of property, plant and equipment and intangible assets	-0.3	-0.2	-0.7
Proceeds from sale of investment properties	1.1	2.7	2.8
Proceeds from sale of property, plant and equipment and intangible assets	-	0.8	0.8
Purchases of financial assets	-96.1	-93.1	-95.6
Proceeds from sale of financial assets	114.3	58.0	84.5
Non-current loans, granted	0.0	-	-
Repayments of non-current loan receivables	0.1	0.1	0.9
Interest and dividends received on investments	0.1	0.2	0.2
Net cash flow from investing activities	-403.2	-286.8	-351.8
Cash flow from financing activities			
Non-current loans and borrowings, raised	300.0	484.0	534.0
Non-current loans and borrowings, repayments	-34.9	-186.5	-254.2
Current loans and borrowings, raised	174.9	150.0	200.0
Current loans and borrowings, repayments	-195.0	-150.0	-200.0
Repayments of lease liabilities	-1.2	-1.1	-1.4
Dividends paid	-93.9	-91.4	-91.4
Net cash flow from financing activities	149.9	205.0	186.9
Change in cash and cash equivalents	-143.8	22.3	-13.5
Cash and cash equivalents at the beginning of the period	197.0	210.5	210.5
Cash and cash equivalents at the end of the period	53.2	232.8	197.0



Condensed consolidated statement of changes in equity

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2022	58.0	35.8	-31.0	164.4	4,036.0	4,263.3	4,263.3
Comprehensive income							
Cash flow hedging			71.2			71.2	71.2
Profit for the period					199.0	199.0	199.0
Total comprehensive income for the period			71.2		199.0	270.1	270.1
Transactions with shareholders							
Share-based incentive scheme					-0.6	-0.6	-0.6
Dividend payment					-93.9	-93.9	-93.9
Total transactions with shareholders					-94.6	-94.6	-94.6
Total change in equity			71.2		104.4	175.6	175.6
Equity at 30 Sep 2022	58.0	35.8	40.2	164.4	4,140.4	4,438.8	4,438.8

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2021	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5
Comprehensive income							
Cash flow hedging			16.5			16.5	16.5
Profit for the period					493.1	493.1	493.1
Total comprehensive income for the period			16.5		493.1	509.6	509.6
Transactions with shareholders							
Share-based incentive scheme					-1.3	-1.3	-1.3
Dividend payment					-91.4	-91.4	-91.4
Total transactions with shareholders					-92.8	-92.8	-92.8
Total change in equity			16.5		400.3	416.8	416.8
Equity at 30 Sep 2021	58.0	35.8	-37.7	164.4	3,505.8	3,726.4	3,726.4

M€	Share capital	Share issue premium	Fair value reserve	Invested non-restricted equity reserve	Retained earnings	Equity attributable to shareholders of the parent company	Total equity
Equity at 1 Jan 2021	58.0	35.8	-54.2	164.4	3,105.5	3,309.5	3,309.5
Comprehensive income							
Cash flow hedging			23.3			23.3	23.3
Profit for the period					1,023.4	1,023.4	1,023.4
Total comprehensive income for the period			23.3		1,023.4	1,046.7	1,046.7
Transactions with shareholders							
Share-based incentive scheme					-1.5	-1.5	-1.5
Dividend payment					-91.4	-91.4	-91.4
Total transactions with shareholders					-92.9	-92.9	-92.9
Total change in equity			23.3		930.5	953.8	953.8
Equity at 31 Dec 2021	58.0	35.8	-31.0	164.4	4,036.0	4,263.3	4,263.3



Condensed notes to the consolidated financial statements

Basic information about the Group

Kojamo plc is Finland's largest market-based, private housing investment company that offers rental apartments and housing services in Finnish growth centres. Its range of apartments is extensive. On 30 September 2022, Kojamo owned 38,983 rental apartments across Finland.

The Group's parent company, Kojamo plc, is a Finnish public company domiciled in Helsinki. Its registered address is Mannerheimintie 168, 00300 Helsinki, Finland.

Trading in Kojamo's shares commenced on the pre-list of Nasdaq Helsinki on 15 June 2018 and on the official list of

Nasdaq Helsinki on 19 June 2018. In addition, a bond issued by Kojamo in 2016 is listed on the official list of Nasdaq Helsinki Ltd. The Group's five other bonds are listed on the official list of the Irish Stock Exchange. The Group has chosen Finland as its home state for the disclosure of periodic information pursuant to Chapter 7, Section 3 of the Finnish Securities Market Act.

Kojamo plc's Board of Directors approved this Interim Report for publication at its meeting on 3 November 2022.

1. Accounting policies

Basis for preparation

This Interim Report was prepared in accordance with IAS 34 Interim Financial Reporting as well as by applying the same accounting policies as in the previous annual financial statements, excluding the exceptions described below. The figures of the Interim Report have not been audited.

The figures for 2021 are based on Kojamo plc's audited Financial Statements for 2021. The figures in brackets refer to the corresponding period in 2021, and the comparison period is the corresponding period the year before, unless otherwise stated.

The preparation of the Interim Report in accordance with IFRS requires application of judgement by Kojamo's management to make estimates and assumptions that affect the reported

amounts of assets and liabilities on the balance sheet date and the reported amounts of income and expenses for the period. Management must also make judgements when applying the Group's accounting policies. Actual results may differ from the estimates and assumptions used. The most significant items of this Interim Report where judgement has been applied by management, as well as the assumptions about the future and other key uncertainty factors in estimates at the end of the reporting period that create a significant risk of change in the carrying amounts of Kojamo's assets and liabilities within the next review period, are the same as those presented in the consolidated financial statements for the 2021 financial year. Of these, the most important are the determination of the fair values of investment properties and financial instruments. Russia's war of aggression in Ukraine and the COVID-19 pandemic may affect the housing and financial markets in exceptional ways. These factors may have an impact on Kojamo's profit and cash flow as well as the fair value of apartments.

2. Revenue

Specification of revenue from contracts with customers

M€	1-9/2022	1-9/2021	1-12/2021
Rental income	294.7	283.4	379.7
Water fees	9.6	7.7	10.7
Sauna fees	0.4	0.5	0.6
Other income from service sales	0.1	0.1	0.2
Total	304.9	291.7	391.1

Revenue consists primarily of rental income based on tenancy agreements. In the Group's business, the scope of IFRS 15 includes maintenance and service revenue, which include use-based charges collected from tenants.



3. Investment properties

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Fair value of investment properties on 1 Jan ¹⁾	8,327.5	6,863.1	6,863.1
Acquisition of investment properties ^{1) 2)}	403.9	250.0	343.7
Modernisation investments	12.6	7.7	11.9
Disposals of investment properties	-1.3	-2.4	-2.5
Capitalised borrowing costs	3.6	4.2	5.4
Profit/loss on fair value of investment properties ¹⁾	110.9	484.1	1,105.7
Fair value of investment properties at the end of the period	8,857.1	7,606.7	8,327.5

The value of investment properties on 30 September 2021 and 31 December 2021 includes EUR 1.1 million in Investment properties held for sale

¹⁾ Includes IFRS 16 Leases

²⁾ Includes the existing apartment stock and the acquisition costs of new projects under construction

Right-of-use assets included in the fair values of investment properties

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Fair value on 1 Jan	70.6	67.4	67.4
Increases/decreases	3.5	3.8	4.2
Profit/loss on fair value of investment properties	-0.8	-0.8	-1.0
Fair value at the end of the period	73.3	70.4	70.6

Modernisation investments are often significant and they are primarily related to repairs and renovations of plumbing, facades, roofs, windows and balconies. The expected average technical useful lives of the plumbing systems, facades, roofs and balconies of residential properties are taken into consideration in the planning of modernisation investments.

Capitalised borrowing costs totalled EUR 3.6 (4.2) million. The interest rate applied to capitalised borrowing costs was 1.7 (1.8) per cent at the end of the review period.

Fair value of investment properties by valuation method

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Yield value *	8,234.1	6,868.5	7,610.3
Acquisition cost	549.7	667.8	646.5
Right-of-use assets	73.3	70.4	70.6
Total	8,857.1	7,606.7	8,327.5

* 30 September 2022 including properties valued at the cash flow based valuation method (DCF) EUR 8,011,8 million and other yield-based valued items EUR 222.3 million

Number of apartments	30 Sep 2022	30 Sep 2021	31 Dec 2021
Yield value	37,209	34,357	34,858
Acquisition cost *	1,774	2,127	2,039
Total	38,983	36,484	36,897

* Includes 4 apartments as part of development projects



Average valuation parameters for yield-based valued items

	30 Sep 2022		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.23	4.61	3.63
Inflation assumption, %	1.8	1.8	1.8
Market rents, weighted by square meters, €/m ² /month	19.68	15.00	17.50
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.18	6.12	6.15
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.3	2.0	2.2
Expense increase assumption, %	2.3	2.3	2.3

	30 Sep 2021		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.50	4.81	3.91
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square meters, €/m ² /month	19.00	14.59	16.87
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.06	6.06	6.06
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.0	1.7	1.9
Expense increase assumption, %	2.0	2.0	2.0

	31 Dec 2021		
	Capital region	Other regions of Finland	Group total
Unobservable inputs:			
Yield requirement, weighted, %	3.25	4.62	3.67
Inflation assumption, %	1.5	1.5	1.5
Market rents, weighted by square meters, €/m ² /month	19.40	15.03	17.31
Property maintenance expenses, repairs and modernisation investments €/m ² /month	6.22	6.09	6.16
10-year average financial occupancy rate, %	97.5	96.6	97.2
Rent increase assumption, %	2.0	1.7	1.9
Expense increase assumption, %	2.0	2.0	2.0



Sensitivity analysis for measuring the fair value of investment properties

Properties measured at yield value	30 Sep 2022				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	895.4	424.0		-383.4	-731.7
Market rents	-1,000.2	-500.1		500.1	1,000.2
Maintenance costs	314.5	157.2		-157.2	-314.5
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-205.7	-102.9		102.9	205.7

Properties measured at yield value	30 Sep 2021				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	759.0	359.4		-324.9	-620.1
Market rents	-855.5	-427.7		427.7	855.5
Maintenance costs	276.0	138.0		-138.0	-276.0
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-176.0	-88.0		88.0	176.0

Properties measured at yield value	31 Dec 2021				
	-10%	-5%	0%	5%	10%
Change % (relative)					
Change, M€					
Yield requirement	845.3	400.3		-361.9	-690.7
Market rents	-950.0	-475.0		475.0	950.0
Maintenance costs	304.1	152.1		-152.1	-304.1
Change % (absolute)	-2%	-1%	0%	1%	2%
Change, M€					
Financial occupancy rate	-195.4	-97.7		97.7	195.4

Fair value measurement of investment property

In Kojamo's consolidated financial statements, the determination of the fair value of investment property is the area that involves the most significant uncertainty factors arising from the estimates and assumptions that have been used. The determination of the fair value of investment property requires significant management discretion and assumptions, particularly with respect to market prices and amounts of future rental income. Estimates and assumptions are particularly related to the future development of yield requirements, vacancy rates and rent levels.

Kojamo uses valuation techniques that are appropriate under those circumstances, and for which sufficient data is available to measure fair value. Kojamo aims to maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Investment property

Investment property refers to an asset (land, building or part of a building) that Kojamo retains to earn rental income or capital

appreciation, or both. An investment property can be owned directly or through an entity. Properties used for administrative purposes are owner-occupied property and included in the balance sheet line item "Property, plant and equipment". An investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property.

Kojamo's investment property portfolio consists of the completed properties, properties under construction and renovation, leased plots (right-of-use assets) and the plot reserve. Properties classified as trading properties as well as properties classified as held for sale are included in the Group's property portfolio but excluded from the balance sheet item "Investment properties". A property is reclassified from "Investment properties" under "Trading properties" in the event of a change in the use of the property, and under "Investment property held for sale", when the sale of an investment property is deemed highly probable.

An investment property is derecognised from the balance sheet on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are



expected from its disposal. Capital gains and losses on disposals are presented netted as a separate line item in the income statement.

Restrictions on investment properties

Some of the investment properties are subject to legislative divestment and usage restrictions. The so-called non-profit restrictions apply to the owning company, and the so-called property-specific restrictions apply to the investment owned. The non-profit restrictions include, among other things, permanent restrictions on the company's operations, distribution of profit, lending and provision of collateral, and the divestment of investments. The property-specific restrictions include fixed-term restrictions on the use of apartments, the selection of residents, the determination of rent and the divestment of apartments.

Measurement of investment property

Investment property is measured initially at acquisition cost, including related transaction costs, such as transfer taxes and professional fees, as well as capitalised expenditure arising from eligible modernisation. The acquisition cost also includes related borrowing costs, such as interest costs and arrangement fees, directly attributable to the acquisition or construction of an investment property. The capitalisation of borrowing costs is based on the fact that an investment property is a qualifying asset, i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The capitalisation commences when the construction of a new building or extension begins, and continues until such time as the asset is substantially ready for its intended use or sale. Capitalisable borrowing costs are directly attributable costs accrued on the funds borrowed for a construction project or costs attributable to a construction project.

After initial recognition, investment property is measured at fair value and the changes in fair value are recognised through profit or loss in the period in which they are observed. Fair value gains and losses are presented netted as a separate line item in the income statement. Fair value refers to the price that would be received from selling an asset, or paid for transferring a liability, in an ordinary transaction between market participants on the measurement date. The valuation techniques used by Kojamo are described below.

The value of investment properties is assessed internally at Kojamo on a quarterly basis. The results of the assessment are reported to the Management Group, Audit Committee and Board of Directors. The measurement process, market conditions and other factors affecting the assessment of the fair value of properties are reviewed quarterly with the CEO and CFO in accordance with Kojamo's reporting schedule. Each quarter, an external independent expert issues a statement on the valuation methods applied in the valuation of rental apartments and business premises owned by Kojamo as well as on the quality and reliability of the valuation.

Fair value of investment properties by valuation method

Inputs used in determining fair values (used in the valuation techniques) are classified on three levels in the fair value hierarchy. The fair value hierarchy is based on the source of inputs.

Level 1 inputs

Quoted prices (unadjusted) in active markets for identical investment property.

Level 2 inputs

Inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 3 inputs

Unobservable inputs for investment property.

An investment property measured at fair value is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The fair value measurement for all of the investment property of Kojamo has been categorised as a Level 3 fair value, as observable market information for the determination of fair values has not been available.

Fair value of investment properties by valuation method

The fair values of investment properties measured by Kojamo are based on transaction value or balance sheet value (acquisition cost).

Income value (yield value)

The measurement of value is based on 10-year discounted cash flow (DCF), in which the terminal value of the property is calculated based on direct capitalisation and net yield in year 11. The discount rate is the 10-year cash flow yield requirement plus inflation.

On completion, newly developed properties are moved from balance sheet value measurement to yield value measurement in the quarter they are completed in. The development margin, if any, is recognised as income in connection with this transition.

Completed properties acquired by the Group are measured in their first quarter using the acquisition cost and subsequently using the yield value method.

The yield value method is used to measure the value of properties that are not subject to restrictions.

The yield value method is also used to measure the value of properties that can be sold as entire properties but not apartment by apartment due to restrictions stipulated by the legislation concerning state-subsidised rental housing. The disposal of such properties is only possible when the entire property is sold, and it must be sold to a party that will continue to use the property for the provision of rental housing until the restrictions expire. The rents for such properties can be set freely. The yield value method is used to measure the value of properties that belong to the following restriction groups: free of restrictions, subject to extension restrictions, 20-year interest subsidy, 10-year interest subsidy.



The yield requirements are analysed on a quarterly basis in connection with valuation. The determination of the yield requirement is based on the size of the municipality. In larger cities, several area-specific yield requirements are determined while, in smaller cities, the yield requirement is set at the municipal level. The yield requirement for terraced houses is increased by 20 basis points. Properties with a particularly large proportion of premises that are not in residential use (in excess of 40% of the total floor area) are analysed separately.

The change in yield requirement based on the age of the property is as follows: more than 15 years from completion or renovation +12.5%, more than 30 years from completion or renovation +22.5%.

Provision for modernisation investments:

Age of the property or the number of years since the completion of the most recent renovation	Provision (€/m²/month)
0-10 years	0.25
11-30 years	1.00
31-40 years	1.50
>40 years	2.00

Acquisition cost (balance sheet value)

The balance sheet value is used for the measurement of residential and commercial properties whose disposal price is restricted under the legislation governing state-subsidised rental properties, meaning that their disposal price cannot be determined freely. In addition, the setting of rents for such properties is, as a rule, based on the cost principle, which means that the rent levels cannot be determined freely.

The balance sheet value method is used to measure the value of properties that belong to the following restriction groups:

ARAVA (state-subsidised rental properties), and 40-year interest subsidy.

The fair value of property development projects, the plot reserve and shares and holdings related to investment properties is their original acquisition cost.

Business combinations and asset acquisition

Acquisitions of investment properties by Kojamo are accounted for as an acquisition of asset or a group of assets, or a business combination within the scope of IFRS 3 *Business Combinations*. Reference is made to IFRS 3 to determine whether a transaction is a business combination. This requires the management's judgment.

IFRS 3 is applied to the acquisition of investment property when the acquisition is considered to constitute an entity that is treated as a business. Usually, a single property and its rental agreement does not constitute a business entity. To constitute a business entity, the acquisition of the property should include acquired operations and people carrying out these operations, such as marketing of properties, management of tenancies and property repairs and renovation.

The consideration transferred in the business combination and the detailed assets and accepted liabilities of the acquired entity are measured at fair value on the acquisition date. Goodwill is recognised at the amount of consideration transferred, interest of non-controlling shareholders in the acquiree and previously held interest in the acquiree deducted by Kojamo's share of the fair value of the acquired net assets. Goodwill is not amortised, but it is tested for impairment at least annually.

Acquisitions that do not meet the definition of business in accordance with IFRS 3 are accounted for as asset acquisitions. In this event, goodwill or deferred taxes etc. are not recognised.



4. Property, plant and equipment

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Carrying value, beginning of period	28.8	29.8	29.8
Increases	0.3	0.2	0.6
Decreases	-	-0.5	-0.5
Depreciation for the period	-0.8	-0.8	-1.0
Carrying value, end of period	28.4	28.7	28.8

Property, plant and equipment consist of assets held and used by the company, mainly buildings and land areas, as well as

machinery and equipment. The right-of-use asset item includes car leasing agreements in accordance with IFRS 16 Leases.

Right-of-use assets included in property, plant and equipment

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Carrying value, beginning of period	0.9	1.0	1.0
Increases/decreases	0.3	0.2	0.4
Depreciation for the period	-0.3	-0.3	-0.4
Carrying value, end of period	0.8	0.8	0.9

5. Interest-bearing liabilities

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Non-current liabilities			
Bonds	2,337.8	2,036.3	2,037.2
Loans from financial institutions	952.5	1,058.1	1,101.5
Interest subsidy loans	26.3	26.6	26.5
Lease liability	72.2	69.5	69.7
Non-current liabilities total	3,388.7	3,190.5	3,234.8
Current liabilities			
Loans from financial institutions	155.5	98.2	41.1
Interest subsidy loans	0.3	4.3	0.3
Commercial papers	29.9	50.0	50.0
Other loans	6.5	6.4	6.4
Lease liability	1.9	1.7	1.8
Current liabilities total	194.2	160.6	99.7
Total interest-bearing liabilities	3,582.9	3,351.1	3,334.5



6. Derivative instruments

Fair values of derivative instruments

M€	30 Sep 2022			30 Sep 2021	31 Dec 2021
	Positive	Negative	Net	Net	Net
Interest rate derivatives					
Interest rate swaps, cash flow hedging	50.2	-1.7	48.6	-49.9	-41.2
Interest rate swaps, not in hedge accounting	0.6	-1.1	-0.5	-7.7	-6.9
Electricity derivatives	0.8	-	0.8	1.7	0.4
Total	51.7	-2.8	48.9	-55.9	-47.7

Nominal values of derivative instruments

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest rate derivatives			
Interest rate swaps, cash flow hedging	750.9	832.0	806.9
Interest rate swaps, not in hedge accounting	40.6	41.3	41.3
Total	791.5	873.3	848.2
Electricity derivatives, MWh	3,314	29,708	13,140

During the review period, EUR 88.9 (20.6) million was recognised in the fair value reserve from interest rate derivatives classified as cash flow hedges. The interest rate derivatives mature between 2022 and 2035. At the end of the review period, the average maturity of interest rate swaps was 4.2 (4.8) years.

Electricity derivatives hedge against increases in electricity prices and mature in 2022. Electricity derivatives are not included in hedge accounting. The unrealised gains and losses from their measurement are presented in the balance sheet under current and non-current assets or liabilities in the item Derivative instruments.



7. Financial assets and liabilities by valuation category

M€	30 Sep 2022				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
Financial assets					
Measured at fair value					
Interest rate derivatives	50.9		50.9		50.9
Electricity derivatives	0.8	0.8			0.8
Financial assets recognised at fair value through profit or loss	109.0	96.3	12.0	0.7	109.0
Measured at amortised cost					
Cash and cash equivalents	53.2		53.2		53.2
Trade receivables	5.7				5.7
Financial liabilities					
Measured at fair value					
Interest rate derivatives	2.8		2.8		2.8
Measured at amortised cost					
Other interest-bearing liabilities	1,245.2		1,234.5		1,234.5
Bonds	2,337.8	2,046.3			2,046.3
Trade payables	13.0				13.0

M€	31 Dec 2021				Fair value total
	Carrying value total	Level 1	Level 2	Level 3	
Financial assets					
Measured at fair value					
Electricity derivatives	0.4	0.4			0.4
Financial assets recognised at fair value through profit or loss	129.5	128.8	0.0	0.7	129.5
Measured at amortised cost					
Cash and cash equivalents	197.0		197.0		197.0
Trade receivables	4.9				4.9
Financial liabilities					
Measured at fair value					
Interest rate derivatives	48.1		48.1		48.1
Measured at amortised cost					
Other interest-bearing liabilities	1,297.3		1,299.6		1,299.6
Bonds	2,037.2	2,110.3			2,110.3
Trade payables	26.5				26.5

There were no transfers between the hierarchy levels during the review period. The fair value of floating rate loans is the same as their nominal value, as the margins of the loans correspond to the margins of new loans. The fair values of bonds are based on market price quotations. The fair value of other fixed-rate liabilities is based on discounted cash flows, in which market interest rates are used as input data.

If there is no active market for the financial instrument, judgment is required to determine fair value and impairment. External mark to market valuations may be used for some interest rate derivatives. Recognition of impairment is considered if the impairment is significant or long-lasting. If the amount of impairment loss decreases during a subsequent financial year

and the decrease can be considered to be related to an event occurring after the recognition of impairment, the impairment loss will be reversed.

Financial assets and liabilities measured at fair value are classified into three fair value hierarchy levels in accordance with the reliability of the valuation technique:

Level 1:

The fair value is based on quoted prices for identical instruments in active markets.



Level 2:

A quoted market price exists in active markets for the instrument, but the price may be derived from directly or indirectly quoted market data. Fair values are measured using valuation techniques. Their inputs are based on quoted market prices, including e.g. market interest rates, credit margins and yield curves.

Level 3:

There is no active market for the instrument, the fair value cannot be reliably derived and input data used for the determination of fair value is not based on observable market data.

Level 3 reconciliation

Financial assets recognised at fair value through profit or loss

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Beginning of period	0.7	0.7	0.7
Change	-	-	0.0
End of period	0.7	0.7	0.7

Investments measured at fair value through profit or loss on hierarchy level 3 are investments in unlisted securities and they are mainly measured at acquisition cost, as their fair value

cannot be reliably measured in the absence of an active market. For these items, the acquisition cost is evaluated to be an appropriate estimate of fair value.

8. Earnings per share

	1–9/2022	1–9/2021	1–12/2021
Profit for the period attributable to shareholders of the parent company, M€	199.0	493.1	1,023.4
Weighted average number of shares during the period (million)	247.1	247.1	247.1
Earnings per share			
Basic, €	0.81	2.00	4.14
Diluted, €	0.81	2.00	4.14

The company has no diluting instruments.

9. Guarantees, commitments and contingent liabilities

M€	30 Sep 2022	30 Sep 2021	31 Dec 2021
Loans covered by pledges on property and shares as collateral	787.3	876.8	809.5
Pledges given	877.7	944.5	907.4
Shares ¹⁾	102.1	156.8	117.3
Pledged collateral, total	979.8	1,101.3	1,024.7
Other collaterals given			
Mortgages and shares	8.1	7.8	7.6
Guarantees ²⁾	658.0	624.5	672.9
Pledged deposits	0.0	0.0	0.0
Other collateral, total	666.2	632.3	680.6

¹⁾ Pledged mortgages and shares relate in some cases to the same properties

²⁾ Guarantees given mainly relate to parent company guarantees given on behalf of Group companies' loans and some of these loans have also mortgages as collaterals



10. Non-current assets held for sale

On 30 September 2022 Kojamo had no non-current assets held for sale. On 30 September 2021 and 31 December 2021 Kojamo had EUR 1.1 million non-current assets held for sale. The asset item in question consisted of one plot of land and it was sold on 8 June 2022.

The investment properties have been measured at fair value in the financial statements (fair value hierarchy level 3).

11. Effects of Russia's war of aggression in Ukraine and the COVID-19 pandemic

Kojamo has assessed the impact of Russia's war of aggression in Ukraine and the COVID-19 pandemic on the Group's profit, balance sheet and cash flow and determined that they

did not have a significant impact on the items in question during the review period.

12. Events after the review period

On 13 October 2022, Kojamo plc signed a new EUR 100 million credit agreement with OP Corporate Bank. The credit agreement is unsecured and has a maturity of six years. The credit facility will be used for general corporate purposes.

On 13 October 2022, Kojamo plc announced as a stock exchange release that Marketing and Communications Director Irene Kantor has resigned. She will continue in her position until the end of the year. The recruitment process for her successor began immediately.



Key figures, the formulas used in their calculation, and reconciliation calculations in accordance with ESMA guidelines

	Formula	7–9/2022	7–9/2021	1–9/2022	1–9/2021	2021
Total revenue, M€		105.4	98.1	305.4	292.0	391.7
Net rental income, M€	1	78.2	72.2	207.6	196.7	262.3
Net rental income margin, %	2	74.1	73.6	68.0	67.4	67.0
Profit before taxes, M€	3	90.8	69.3	248.6	616.0	1,278.9
EBITDA, M€	4	105.1	83.2	291.0	656.3	1,334.8
EBITDA margin, %	5	99.7	84.8	95.3	224.7	340.8
Adjusted EBITDA, M€	6	69.3	65.2	179.9	171.5	228.5
Adjusted EBITDA margin, %	7	65.7	66.5	58.9	58.7	58.3
Funds From Operations (FFO), M€	8	48.6	45.0	120.0	114.5	153.1
FFO margin, %	9	46.1	45.9	39.3	39.2	39.1
Funds From Operations (FFO) per share, €	10	0.20	0.18	0.49	0.46	0.62
FFO excluding non-recurring costs, M€	11	48.6	45.0	120.0	114.5	153.1
Adjusted Funds From Operations (AFFO), M€	12	43.0	42.3	107.3	106.8	141.1
Investment properties, M€ ¹⁾				8,857.1	7,606.7	8,327.5
Financial occupancy rate, %	23			91.7	94.0	93.9
Interest-bearing liabilities, M€	13			3,582.9	3,351.1	3,334.5
Return on equity, % (ROE)	14			6.1	18.7	27.0
Return on investment, % (ROI)	15			5.1	13.1	19.2
Equity ratio, %	16			48.7	46.2	49.0
Loan to Value (LTV), % ²⁾	17			39.9	41.0	37.7
Unencumbered asset ratio, %	18			87.6	83.4	86.3
Coverage ratio	19			3.9	4.0	3.9
Solvency ratio	20			0.39	0.39	0.36
Secured solvency ratio	21			0.09	0.11	0.09
Earnings per share, €		0.29	0.22	0.81	2.00	4.14
Equity per share, €				17.96	15.08	17.25
Gross investments, M€	22	78.1	81.6	416.5	258.1	356.9
Number of personnel, end of the period				309	316	325

¹⁾ Including Non-current assets held for sale

²⁾ Excluding Non-current assets held for sale

Alternative Performance Measures

Kojamo presents Alternative Performance Measures to illustrate the financial development of its business operations and improve comparability between reporting periods. The Alternative Performance Measures, i.e. performance measures that

are not based on financial reporting standards, provide significant additional information for the management, investors, analysts and other parties. The Alternative Performance Measures should not be considered substitutes for IFRS performance measures.



Formulas used in the calculation of the key figures

Alternative Performance Measures specified in accordance with ESMA Guidelines

- 1) Net rental income = Total revenue - Maintenance expenses - Repair expenses

Net rental income measures the profitability of the Group's rental business after the deduction of maintenance and repair costs.
- 2) Net rental income margin, % = $\frac{\text{Net rental income}}{\text{Total revenue}} \times 100$

This figure reflects the ratio between net rental income and total revenue.
- 3) Profit before taxes = Net rental income - Administrative expenses + Other operating income - Other operating expenses +/- Profit/loss on sales of investment properties +/- Profit/loss on sales of trading properties +/- Profit/loss on fair value of investment properties - Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies

Profit before taxes measures profitability after operative costs and financial expenses.
- 4) EBITDA = Profit for the period + Depreciation, amortisation and impairment losses +/- Financial income and expenses +/- Share of result from associated companies + Current tax expense + Change in deferred taxes

EBITDA measures operative profitability before financial expenses, taxes and depreciation.
- 5) EBITDA margin, % = $\frac{\text{EBITDA}}{\text{Total revenue}} \times 100$

EBITDA margin discloses EBITDA in relation to net sales.
- 6) Adjusted EBITDA = Profit for the period + Depreciation, amortisation and impairment losses +/- Profit/loss on sales of investment properties +/- Profit/loss on sales of trading properties +/- Profit/loss on sales of other non-current assets +/- Profit/loss on fair value of investment properties profit for the period +/- Financial income and expenses +/- Share of result from associated companies + Current tax expense + Change in deferred taxes

Adjusted EBITDA measures the profitability of the Group's underlying rental operations excluding gains/losses on sale of properties and unrealised value changes of investment properties.
- 7) Adjusted EBITDA margin, % = $\frac{\text{Adjusted EBITDA}}{\text{Total revenue}} \times 100$

Adjusted EBITDA margin discloses adjusted EBITDA in relation to total revenue.
- 8) Funds From Operations (FFO) = Adjusted EBITDA - Adjusted net interest charges - Current tax expense +/- Current taxes from disposals

FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.



- 9) FFO margin, % = $\frac{\text{FFO}}{\text{Total revenue}}$ x 100
FFO margin discloses FFO in relation to total revenue.
- 10) FFO per share = $\frac{\text{FFO}}{\text{Weighted average number of shares outstanding during the financial period}}$
FFO per share illustrates FFO for an individual share.
- 11) FFO excluding non-recurring costs = FFO + non-recurring costs
FFO measures cash flow before change in net working capital. The calculation of this APM takes into account financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes and non-recurring costs.
- 12) Adjusted FFO (AFFO) = FFO - Modernisation investments
AFFO measures cash flow before change in net working capital, adjusted for modernisation investments. The calculation of this APM takes into account modernisation investments, financial expenses and current taxes but excludes items not directly connected to rental operations, such as unrealised value changes.
- 13) Interest-bearing liabilities = Non-current loans and borrowings + Current loans and borrowings
Interest-bearing liabilities measures the Group's total debt.
- 14) Return on equity, % (ROE) = $\frac{\text{Profit for the period (annualised)}}{\text{Total equity, average during the period}}$ x 100
ROE measures the financial result in relation to equity. This APM illustrates Kojamo's ability to generate a return for the shareholders.
- 15) Return on investment, % (ROI) = $\frac{(\text{Profit before taxes} + \text{Interests and other financial expenses}) \text{ (annualised)}}{(\text{Total assets} - \text{Non-interest-bearing liabilities}), \text{ average during the period}}$ x 100
ROI measures the financial result in relation to invested capital.
This APM illustrates Kojamo's ability to generate a return on the invested funds.
- 16) Equity ratio, % = $\frac{\text{Total equity}}{\text{Balance sheet total} - \text{Advances received}}$ x 100
Equity to assets is an APM for balance sheet structure that discloses the ratio of equity to total capital.
This APM illustrates the Group's financing structure.
- 17) Loan to Value (LTV), % = $\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents}}{\text{Investment properties}}$ x 100
Loan to value discloses the ratio of net debt to investment properties. This APM illustrates the Group's indebtedness.
- 18) Unencumbered asset ratio, % = $\frac{\text{Unencumbered assets}}{\text{Assets total}}$ x 100
This APM illustrates the amount of unencumbered assets relative to total assets.



19) Coverage ratio = $\frac{\text{Adjusted EBITDA, rolling 12 months}}{\text{Adjusted net financial expenses, rolling 12 months}}$

The ratio between EBITDA and net financial expenses. This APM illustrates the Group's ability to service its debts.

20) Solvency ratio = $\frac{\text{Interest-bearing debt* - Cash and cash equivalents}}{\text{Assets total}}$

The solvency ratio illustrates the ratio of net debt to total assets.

*For this APM, interest-bearing debt includes interest-bearing liabilities, interest-bearing debt related to non-current assets held for sale and transaction prices due after more than 90 days.

21) Secured solvency ratio = $\frac{\text{Secured interest-bearing liabilities}}{\text{Assets total}}$

This APM illustrates the ratio of secured loans to total assets

22) Gross investments = $\text{Acquisition and development of investment properties} + \text{Modernisation investments} + \text{Capitalised borrowing costs}$

This APM illustrates total investments including acquisitions, development investments, modernisation investments and capitalised interest.

Other performance measures

23) Financial occupancy rate, % = $\frac{\text{Rental income}}{\text{Potential rental income at full occupancy}} \times 100$



Reconciliation of key indicators

M€	7–9/2022	7–9/2021	1–9/2022	1–9/2021	2021
Profit for the period	72.6	55.4	199.0	493.1	1,023.4
Depreciation, amortisation and impairment losses	0.3	0.3	0.9	0.9	1.2
Profit/loss on sales of investment properties	-	-	-0.2	-0.3	-0.3
Profit/loss on sales of trading properties	0.0	-	0.0	-	-
Profit/loss on sales of other non-current assets	-	0.0	0.0	-0.3	-0.3
Profit/loss on fair value of investment properties	-35.8	-17.9	-110.9	-484.1	-1,105.7
Financial income	-2.3	-1.8	-8.2	-4.9	-4.8
Financial expenses	16.3	15.3	49.7	44.3	59.7
Share of result from associated companies	-	-	-	-	-0.1
Current tax expense	5.4	6.3	14.5	15.4	18.8
Change in deferred taxes	12.8	7.6	35.1	107.6	236.7
Adjusted EBITDA	69.3	65.2	179.9	171.5	228.5
Financial income and expenses	-14.0	-13.6	-41.5	-39.4	-54.9
Profit/loss on fair value measurement of financial assets	-1.3	-1.4	-4.1	-3.8	-3.2
Adjusted net interest charges	-15.3	-15.0	-45.6	-43.2	-58.1
Current tax expense	-5.4	-6.3	-14.5	-15.4	-18.8
Current taxes from disposals	0.0	1.1	0.2	1.5	1.5
FFO	48.6	45.0	120.0	114.5	153.1
FFO excluding non-recurring costs	48.6	45.0	120.0	114.5	153.1
Equity			4,438.8	3,726.4	4,263.3
Assets total			9,125.5	8,068.1	8,716.8
Advances received			-6.9	-6.6	-6.6
Equity ratio, %			48.7	46.2	49.0
Unencumbered investment properties			7,681.5	6,223.8	7,084.2
Non-current assets, other than investment properties			139.9	97.4	94.2
Current assets			176.9	409.1	340.5
Unencumbered assets total			7,998.3	6,730.4	7,518.8
Total assets			9,125.5	8,068.1	8,716.8
Unencumbered asset ratio, %			87.6	83.4	86.3
Adjusted EBITDA, rolling 12 months			236.8	226.7	228.5
Adjusted net interest charges, rolling 12 months			-60.6	-56.9	-58.1
Coverage ratio			3.9	4.0	3.9
Interest-bearing liabilities			3,582.9	3,351.1	3,334.5
Deferred purchase price due after 90 days			-	0.4	-
Cash and cash equivalents			53.2	232.8	197.0
Total indebtedness - Cash and cash equivalents			3,529.7	3,118.6	3,137.5
Total assets			9,125.5	8,068.1	8,716.8
Solvency ratio			0.39	0.39	0.36
Secured loans			787.3	876.8	809.5
Total assets			9,125.5	8,068.1	8,716.8
Secured solvency ratio			0.09	0.11	0.09